

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: JANUARY 13, 2021

REGARDING: RESERVATION OF 2021 LOW INCOME HOUSING TAX CREDITS FOR
SELBY WILKINS, WARD 1, DISTRICT 8

Requested Board Action

Approval of the attached resolution to reserve \$914,334 of 2021 Low Income Housing Tax Credits for Selby Wilkins.

Background

The Federal Tax Reform Act of 1986 created the Low Income Housing Tax Credit Program (the “Credit Program”), which provides a reduction in federal tax liability to owners and investors of qualified low-income housing developments that comply with federally-imposed rent and tenant income restrictions for a period of 30 years (“Credits”).

On April 8, 2020, by Resolution 19-709, the Housing and Redevelopment Authority of Saint Paul’s Board of Commissioners (“HRA Board”) endorsed changes to the Minneapolis/Saint Paul Housing Finance Board’s (“Finance Board”) *2021 Low Income Housing Tax Credit Procedural Manual* (“*2021 Procedural Manual*”) and the *2021 Qualified Allocation Plan* (“*2021 QAP*”) to reflect the HRA Board’s housing selection priorities for the 2021 Credit Program. On May 8, 2020, the Finance Board approved the *2021 Procedural Manual* and the *2021 QAP*. The Finance Board also authorized the HRA Board to administer the 2021 Credit Program and reserve up to \$914,334 of 2021 Credits to qualified Saint Paul developments.

To receive 2021 Credits, eligible projects must be financially feasible and viable as qualified low-income projects for the credit period. (See: attached *2021 QAP*, Article VIII (D), Procedure for Selecting Projects; Project Threshold Requirements.) Once the proposals are qualified, the proposals are scored based upon the selection and preference priorities established as the *2021 QAP* scoring criteria.

The HRA received six (6) applications for the 2021 LIHTC RFP as follows:

Project Name:	SELBY WILKINS
Address:	180 Milton Avenue (Primary)
Developer:	Twin Cities Housing Development Corporation
Owner:	Selby Wilkins, LLLP
Project Type:	Scattered site rehabilitation, Preservation of 23 units Project based Section 8
Total Units:	53 units including 23 preserved Section 8 units; 45 are existing affordable housing units plus 8 new affordable housing units: 17 – 2BR units renting to households at 30% AMI 6 – 3BR units renting to households at 30% AMI 18 – 2BR units renting to households at 60% AMI 9 – 3BR units renting to households at 60% AMI 3 – 4BR units renting to households at 60% AMI
Zoning District:	B3 General and RM2 Residential District (multi- family) scattered site
Relocation:	Not applicable
Eminent Domain:	None
Project Cost:	\$19,082,493
City Financing (pass-thru):	Not applicable
HRA Financing to be requested:	\$1,300,000 CDBG
2021 Housing Tax Credit requested:	\$1,230,220
2021 Housing Tax Credit recommended:	\$914,334

Project Name:	EMMA NORTON
Address:	966 Mississippi Blvd S Lot 1
Developer:	Project for Pride in Living, Inc
Owner:	PPL Emma Norton LP
Project Type:	New construction - affordable housing units
Total Units:	60 very affordable rental units, including; 56 – 0BR/Eff units for households at 30% AMI; 4 - 1 BR units for households at 30% AMI;
Zoning District:	F6 Ford Gateway
Relocation:	Not applicable
Eminent Domain:	None
Project Cost:	\$18,251,723
City Financing (Pass-thru):	Met Council LHIA
HRA Financing to be requested:	Not Applicable

Project Name: KIMBALL COURT
Address: 545 N Snelling Avenue
Developer: Beacon Interfaith Housing Collaborative
Owner: Kimball Court Housing LP
Project Type: Rehabilitation and new construction of affordable housing units
Total Units: 98 SRO housing units, including;
58 units renting to households at 50% AMI;
40 units renting to households at 30% AMI;
Zoning District: T2 Traditional Neighborhood
Relocation: Not applicable
Eminent Domain: None
Project Cost: \$15,836,918
City Financing (pass-thru): Not Applicable
HRA Financing to be requested: Not Applicable

Project Name: Mary Hall
Address: 438 Dorothy Day Place
Developer: AEON
Owner: TBD
Project Type: Acquisition and rehabilitation of affordable housing units,
Total Units: 99 affordable housing units, including;
15 SRO units renting to households at 30% AMI;
42 SRO units renting to households at 50% AMI;
27 SRO units renting to households at 60% AMI;
15 1 BR units renting to households at 60% AMI
Zoning District: B5 Central Business Service
Relocation: Not applicable
Eminent Domain: None
Project Cost: \$17,883,637
City Financing (Pass-thru): Not Applicable
HRA Financing to be requested: Not Applicable

Project Name: TREEHOUSE
Address: 2319 West 7th NW
Developer: CHDC West 7th Development LLC
Owner: West 7th Limited Partnership
Project Type: New construction of affordable housing units
Total Units: 36 units of very affordable housing units, including;
15 SRO units renting to households at 30% AMI;
21 – 1 BR units renting to households at 30% AMI;
Zoning District: RM2 Multifamily
Relocation: Not applicable

Eminent Domain:	None
Project Cost:	\$12,162,353
City Financing (pass-thru):	Not Applicable
HRA Financing to be requested:	Not Applicable

Project Name:	FORD F150 WORKFORCE
Address:	966 Mississippi Blvd S Lot 2
Developer:	Project for Pride in Living, Inc.
Owner:	PPL Fordworkforce Limited Partnership
Project Type:	New construction of affordable housing units
Total Units:	75 units of affordable housing units, including; 16 SRO units renting to households at 50% AMI; 10 SRO units renting to households at 60% AMI; 8 – 1 BR units renting to households at 30% AMI; 18 – 1 BR units renting to households at 50% AMI; 4 – 1 BR units renting to households at 60% AMI 4 – 2 BR units renting to households at 50% AMI; 15 – 1 BR units renting to households at 60% AMI;
Zoning District:	F5, Ford Business Mixed District
Relocation:	Not applicable
Eminent Domain:	None
Project Cost:	\$21,338,312
City Financing (pass-thru):	Not Applicable
HRA Financing to be request:	Not Applicable

Pursuant to the 2021 QAP selection and preference priorities, the applications scored as follows:

Selby Wilkins	61 points
Treehouse	40 points
Emma Norton	40 points
Kimball Court	38 points
Mary Hall	23 points
Ford F150	22 points

(See the attached **Credit Scoring Worksheets** for the scoring of each proposal.)

Upon review, HRA staff recommends that the HRA Board approves the following:

Reservation of \$914,334 of 2021 Credits for Selby Wilkins.

Budget Action

NA. Approval of the resolution to reserve Credits does not require budget action.

Future Action

Selby Wilkins: If approved, the HRA Executive Director may execute a Memorandum of Understanding and a Development Agreement with final terms and conditions required for HRA financing and/or 2021 LIHTC.

Financing Structure

Financing Structure - Selby Wilkins		
Funding Source	Amount	Action
Housing Sources		
First Mortgage	\$2,537,000	Uncommitted
9% Syndication Proceeds	\$11,070,882	Recommended
Sales Tax Rebate	\$155,450	Committed
Energy Rebate	\$22,500	Committed
Assuming Existing HRA Deferred Debt	\$3,818,560	Committed
Selby Commons Cash Reserves	\$275,000	Committed
General Partner Capital Contributions	\$250,000	Committed
Assumed St Paul CDBG	\$1,300,000	Committed
Total Housing (TDC)	\$19,429,392.00	

PED Credit Committee Review

NA. No loan risk rating is involved.

Compliance

N/A. Approval of Credit Reservations does not activate the compliance requirements. However, the developers/project owners of Selby Wilkins must comply with the Saint Paul Compliance requirements, including Vendor Outreach, Section 3, Affirmative Action, Labor Standards (City, State and Federal Davis-Bacon), Living Wage, Project Labor Agreement, PED/HRA

Sustainability Initiative, and Two-Bid Policy whenever applicable as conditions of receiving HRA financing.

Green/Sustainable Development

Selby Wilkins must comply with the *Saint Paul Sustainable Development Policy*.

Environmental Impact Disclosure

NA

Historic Preservation

NA

Public Purpose/Comprehensive Plan Conformance:

Selby Wilkins:

Scattered site rehabilitation preserving 45 existing units of affordable housing, including 23 Project Based Section 8 units, and addition of 8 new affordable units, with a unit mix as follows:

- 17 2BR units affordable to households at 30% AMI
- 6 3BR units affordable to households at 30% AMI
- 18 2BR units affordable to households at 60% AMI
- 9 3BR units affordable to households at 60% AMI
- 3 4BR units affordable to households at 60% AMI

Statement of Chairman (for Public Hearing)

N/A

Recommendation:

The Executive Director recommends, per the attached resolution, that the HRA Board approve the following:

Reservation of \$914,334 of 2021 Credits for Selby Wilkins.

Sponsored by: Chris Tolbert

Staff: Vicki Lee, 266-6591

Attachments

- **2021 QAP**
- **Credit Scoring Worksheets**
- **Map**
- **Public Purpose**
- **District 8 Profile**